

# **JOURNAL PETTY CASH AND THE CASH PAYMENTS JOURNAL**

# PETTY CASH

Petty Cash enables businesses to pay cash for small expenses where it is not practical to use other forms of payment.

A Petty Cash report is prepared to help determine when the fund is to be replenished.

When there is **more cash** on hand than **recorded** in the Petty Cash journal it is referred to as **Cash Over**.

When there is **less cash** on hand than **recorded** in the Petty Cash Journal it is referred to as **Cash Short**.

# PETTY CASH ACCOUNT IN THE CASH PAYMENTS JOURNAL

Cash Short or Cash Over are recorded in an account titled **Cash Short or Over**.

The amount can be recorded as either a debit or a credit.

Most often, the account is a debit because the amount on hand is typically short than it is over.

# PETTY CASH REPORT

1. Date and Custodian Name

2. Fund Total

3. Payments by General Ledger Account

4. Total Payments

5. Recorded Amount on Hand

6. Actual Cash on Hand

7. Subtract the actual cash on hand from the recorded amount on hand.

8. Amount to Replenish

PETTY CASH REPORT				
Date: February 28, 20--		Custodian: Janice Morgan		
Explanation	Reconciliation		Replenish Amount	
Fund total		250.00		
Payments:				
Supplies	45.34			
Advertising	25.00			
Miscellaneous	44.22			
Less: Total payments		114.56	→	114.56
Equals: Recorded amount on hand		135.44		
Less: Actual amount on hand		133.85		
Equals: Cash short (over)		1.59	→	1.59
Amount to replenish				116.15

# JOURNALIZING CASH PAYMENTS TO REPLENISH A PETTY CASH FUND

PETTY CASH REPORT				
Date: <u>March 31, 20--</u>		Custodian: <u>Janice Morgan</u>		
Explanation	Reconciliation		Replenish Amount	
Fund total		250.00		
Payments:				
Supplies	32.33			
Repair	40.00			
Miscellaneous	28.50			
Less: Total payments		100.83	→	100.83
Equals: Recorded amount on hand		149.17		
Less: Actual amount on hand		151.34		
Equals: Cash short (over)		(2.17)	→	(2.17)
Amount to replenish				98.66

1. Date
2. Account Titles
3. Check Number
4. Expense Amounts
5. Cash Short as a Debit, Cash Over as a Credit
6. Total Cash Payment

CASH PAYMENTS JOURNAL									
DATE		CK. NO.	POST. REF.	GENERAL DEBIT		CREDIT	ACCOUNTS PAYABLE DEBIT	PURCHASE DISCOUNT CREDIT	CASH CREDIT
31	Supplies	249		32.33					98.66
20	Repair Expense			40.00					
	Miscellaneous Expense			28.50					
	Cash Short and Over					2.17			

# POSTING SEPARATE AMOUNTS FROM A CASH PAYMENTS JOURNAL

CASH PAYMENTS JOURNAL										PAGE 5
DATE		ACCOUNT TITLE	CK. NO.	POST. REF.	GENERAL		ACCOUNTS PAYABLE DEBIT	PURCHASES DISCOUNT CREDIT	CASH CREDIT	
					DEBIT	CREDIT				
1	Mar. 1	Rent Expense	214	6145	400000				400000	
12	10	Walter Manufacturing	225	285			265000		265000	
13										

1

2

3

4

5

VENDOR Walter Manufacturing										VENDOR NO. 285
DATE		ITEM	POST. REF.	DEBIT	CREDIT	BALANCE				
Mar. 1		Balance				706000				
10			CP5	265000		441000				

ACCOUNT Rent Expense										ACCOUNT NO. 6145
DATE		ITEM	POST. REF.	DEBIT	CREDIT	BALANCE				
						DEBIT	CREDIT			
Feb. 1			CP4	400000		800000				
Mar. 1			CP5	400000		1200000				

1. Date

2. Journal

3. Debit

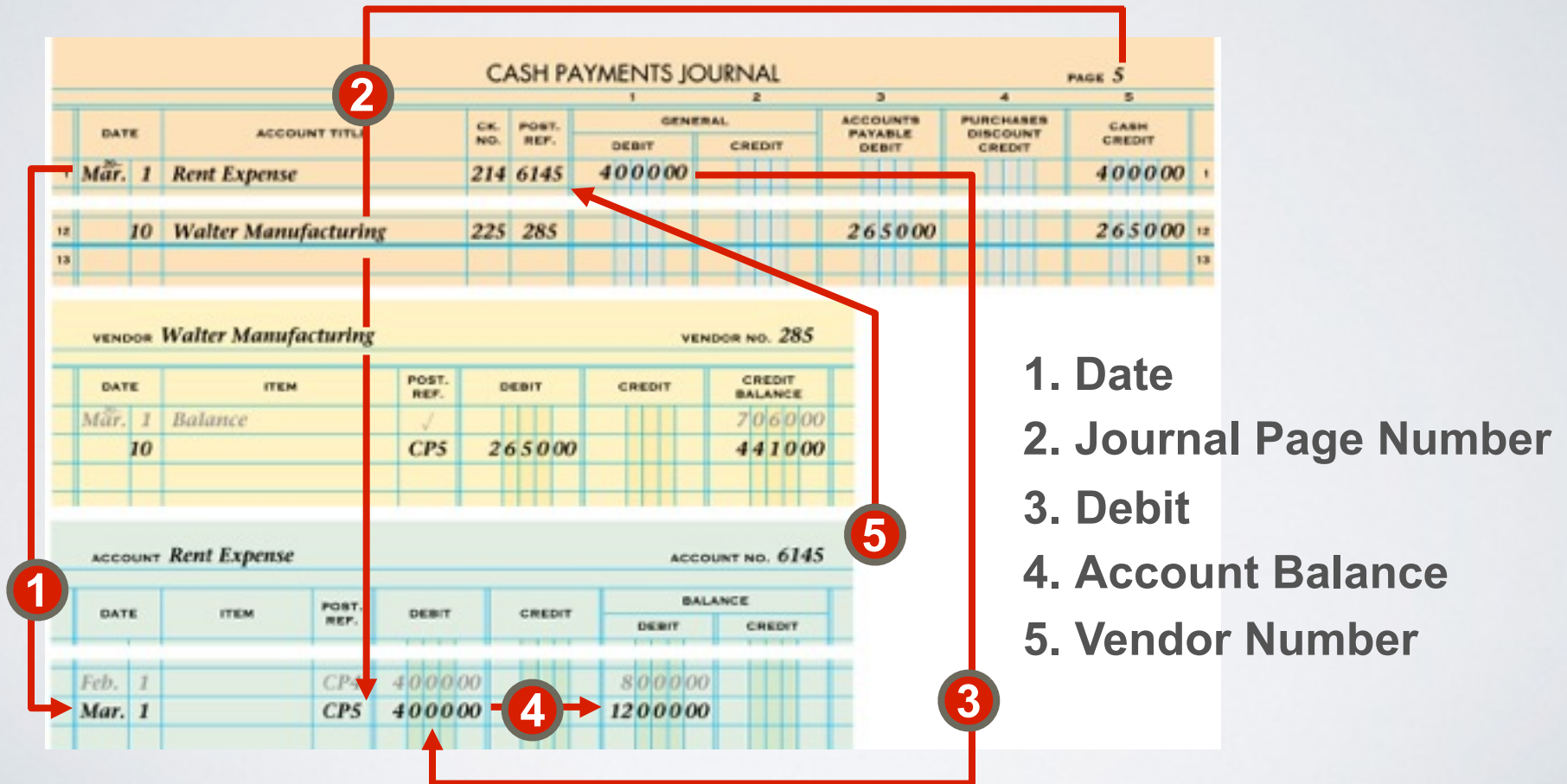
4. Account

5. Vendor

1. Date
2. Journal Page Number
3. Debit
4. Account Balance
5. Vendor Number



# POSTING SEPARATE AMOUNTS FROM A CASH PAYMENTS JOURNAL



# POSTING TOTALS OF THE SPECIAL AMOUNT COLUMNS OF A CASH PAYMENTS JOURNAL TO A GENERAL LEDGER

**CASH PAYMENTS JOURNAL** PAGE 6

DATE	ACCOUNT TITLE	CK. NO.	POST. REF.	GENERAL		ACCOUNTS PAYABLE DEBIT	PURCHASES DISCOUNT CREDIT	CASH CREDIT
				DEBIT	CREDIT			
Mar. 22	Brought Forward		✓	19,584.00	5,200	21,609.00	3,720.00	40,769.00
31	Repair Expense	250	6150	1,780.00				1,780.00
31	<b>Totals</b>			<b>25,960.00</b>	<b>10,700</b>	<b>47,287.00</b>	<b>6,720.00</b>	<b>72,468.00</b>
				(/)	(/)	(2115)	(5110)	(1105)

**ACCOUNT Accounts Payable** ACCOUNT NO. 2115

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
31		CP3		42,672.00		66,679.00
31		CP6	47,287.00		19,392.00	

**ACCOUNT Purchases Discount** ACCOUNT NO. 5110

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
Feb. 28		CP4		5,870.00		12,610.00
Mar. 31		CP6	6,720.00		19,330.00	

**ACCOUNT Cash** ACCOUNT NO. 1105

DATE	ITEM	POST. REF.	DEBIT	CREDIT	BALANCE	
					DEBIT	CREDIT
Mar. 1	Balance	✓			12,981.00	
31		CR9	16,396.60		149,377.60	
31		CP6	72,468.00		76,909.60	

1. Date
2. Journal Page Number
3. Column Total
4. Account Balance
5. Account Numbers